

No. 12554.

IN THE

United States Court of Appeals

FOR THE NINTH CIRCUIT

THOMAS G. CHAMBERLAIN and CENTRAL HANOVER BANK
& TRUST COMPANY, as Successor Trustees under the
Last Will and Testament of SAMUEL L. CLEMENS,
deceased, MARK TWAIN COMPANY and CLARA CLEMENS
SAMOSSOUD,

Appellants,

vs.

COLUMBIA PICTURES CORPORATION,

Appellee.

APPELLANTS' OPENING BRIEF.

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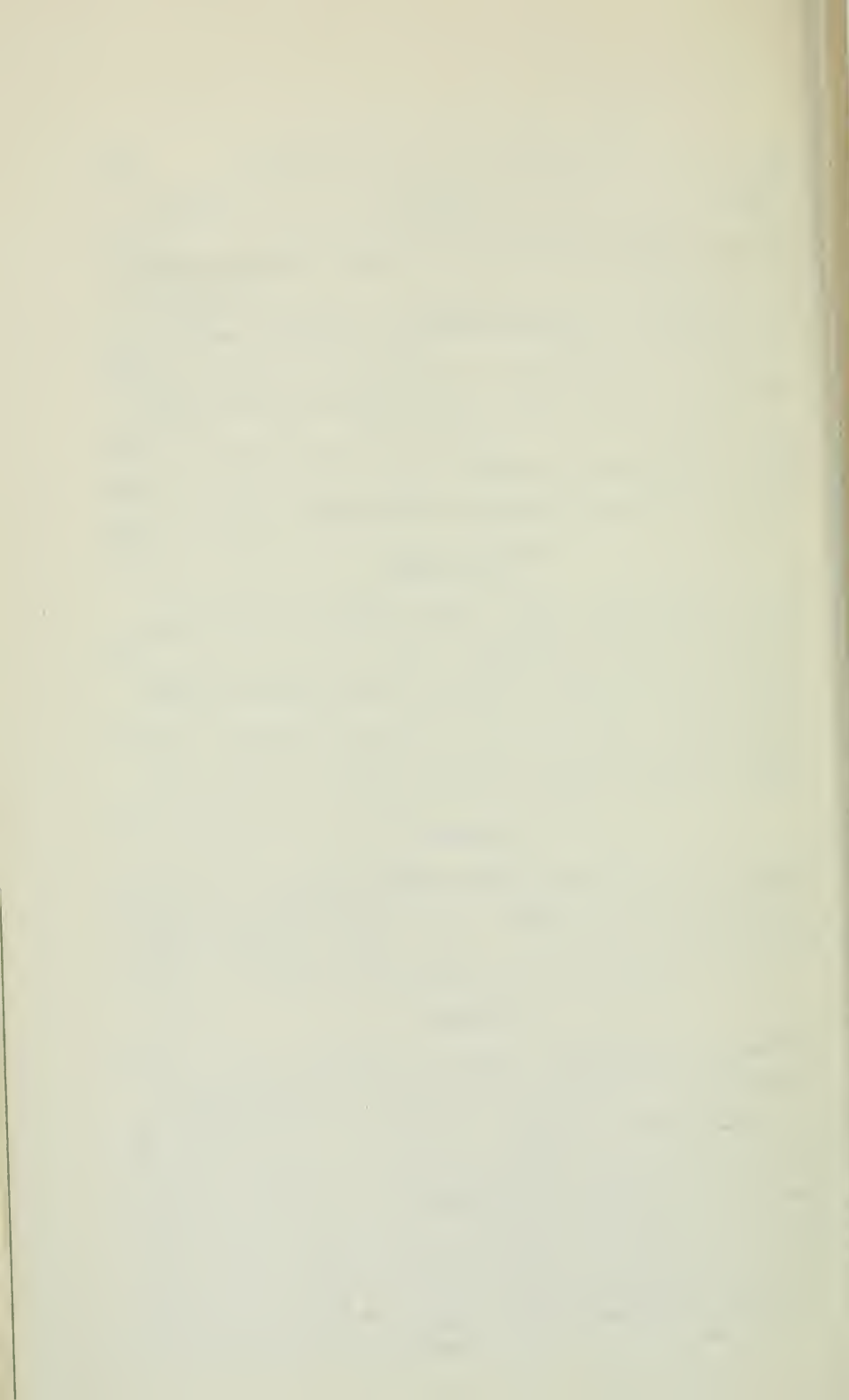
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APPELLANTS' OPENING BRIEF.

I.

Pleadings.

The plaintiffs, who are the daughter, testamentary trustees and all other representatives of the Estate of Samuel L. Clemens (Mark Twain), the well known writer who died April 21, 1910, commenced the proceedings against the defendant by filing an amended complaint for injunction to restrain the defendants from the use of plaintiffs' United States trademark "Mark Twain" in connection with a motion picture produced by the defendant, and for unfair competition and for an accounting and damages. [Clk. Tr. pp. 2-16.]

The defendant filed a notice of Motion to Dismiss and to Strike said Amended Complaint. [Clk. Tr. pp. 17-21.] Upon the hearing of said Motion to Dismiss and to Strike, the District Judge granted said motions upon the ground and for the reason that the amended complaint failed to state a claim upon which relief could be granted. [Clk. Tr. pp. 21-22.] It is contended that the District Court had jurisdiction and this court has jurisdiction to review the decree or order in question by virtue of the Trademark Act and particularly the provisions of the Lanham Trademark Act of July 5, 1946, Stat. 427 incorporated in 15 U. S. C. A., Sections 1051-1127, and particularly Section 1125, subdivision (a), 15 U. S. C. A.

II.

Statement of the Case.

The amended complaint for injunction, unfair competition and for an accounting and damages alleges that plaintiffs are the daughter, testamentary trustees and all other representatives of the Estate of Samuel L. Clemens (Mark Twain), the well known writer who died April 21, 1910. That under the Last Will and Testament of Samuel L. Clemens, deceased (Mark Twain) any and all rights in and to literary material written by him during his lifetime, whether published or unpublished and which he possessed at the time of his death, as well as all of the stock of the Mark Twain Corporation, were placed in a trust; that the trustees named and designated in the Last Will and Testament as the trustees for the trust created by said Will, succeeded to any and all rights which the said Samuel L. Clemens had in all literary properties written by him at the time of his death.

That the plaintiffs are the successor trustees of the trust aforementioned, and are now and at all times men-

tioned in the complaint were the sole owners of all of the stock and own and control the said Mark Twain Company, and are now and at all times mentioned in the complaint were the sole owners of literary properties and rights in and to literary properties possessed by Samuel L. Clemens at the time of his death. That the plaintiff Clara Clemens Samossoud is the daughter and sole heir of the deceased Samuel L. Clemens and is named in his Last Will and Testament as the sole income beneficiary of the trust created under the Will during the life of the trust and by the terms of the Will after the expiration of the trust, will succeed to all rights in and to the literary property of Samuel L. Clemens.

The amended complaint alleges that within the past several years plaintiffs have registered the name "Mark Twain" as a trademark in all states and with the United States government and in recent years the plaintiffs have licensed the use of the name "Mark Twain" for literary productions and commercial purposes in connection with non-literary products. That with respect to a great many of the literary properties of Samuel L. Clemens (Mark Twain), deceased, full copyright protection exists in the United States as well as in many foreign countries and that with respect to the literary properties that are so protected by copyright, the plaintiffs are the owners thereof and have the sole and exclusive right to sell, license, or otherwise deal in said literary properties.

The amended complaint further alleges that Samuel L. Clemens (Mark Twain), during his lifetime composed and wrote a short story entitled "The Celebrated Jumping Frog of Calaveras County." That said short story became and still is very popular, and has been at all times mentioned herein, and still is, identified by the reading

public as one of the more famous of Mark Twain's literary properties, and has been known and recognized by the reading public as an outstanding example of the unusual literary style, wit, humor, talents and ability of Mark Twain and his literary writings. That the said story "The Celebrated Jumping Frog of Calaveras County" was not protected by copyright at the time of the filing of the complaint.

That in the year 1948, the defendant Columbia Pictures Corporation, who are engaged in the business of producing, manufacturing and distributing motion picture photoplays, produced and caused to be distributed a motion picture photoplay entitled "BEST MAN WINS" and at the time of the filing of the complaint, said defendant was and is still continuing to cause said motion picture photoplay to be released, distributed and exhibited in thousands of motion picture theatres throughout the United States.

That in connection with the production, distribution, release and exhibition of the said motion picture photoplay, "Best Man Wins," the defendant has advertised, publicized and exploited the aforementioned motion picture photoplay as "One of Mark Twain's favorite stories," and caused to be inserted in various newspapers, magazines, periodicals and motion picture trade papers and magazines, advertising and publicity in various words and phrases indicating that said motion picture photoplay "Best Man Wins" is based on a story written by Mark Twain. for example, "Mark Twain's tale of a gamble in hearts!" which was advertised in the New York Daily Mirror, issue of October 8, 1948, Brooklyn edition, page 32; "Mark Twain's Favorite Story," advertised in the Courier Journal, Louisville, Kentucky, June 11, 1948, page 4, Section 2; "Mark Twain's Lovable Rogue, who would a wandering and a wooing go" (referring to the character

in the picture of Smiley rather than the story), contained in advertising matter appearing in the front of the Orient Theatre, Jersey City, New Jersey, on September 16, 1948; "A Story only Mark Twain Could Tell," appearing on advertising matter in the front of the Orient Theatre, September 16, 1948. From time to time and intermittently, defendant additionally advertised and exploited the motion picture "Best Man Wins"—"That the said picture is based upon the story 'The Celebrated Jumping Frog of Calaveras County.'"

That during his lifetime, the said Samuel L. Clemens, deceased (Mark Twain), never wrote or composed any story or literary property entitled "Best Man Wins."

That the famous story aforementioned, written by Samuel L. Clemens, entitled "The Celebrated Jumping Frog of Calaveras County" is a short story dealing with a single incident in the life of one Jim Smiley. Nothing in this story appears concerning Smiley's life or character, except that it is pointed out that he would bet on anything. In the story, Jim Smiley owns a jumping frog called "Dan'l Webster," and he makes a bet with another man who produces another frog, as to which frog can jump the farthest. Jim Smiley loses the bet because the other man fills "Dan'l Webster" with buckshot so that he cannot jump, and the story ends with Jim Smiley chasing the other man after he finds out the trick that has been played upon him.

In the motion picture photoplay produced, distributed, released and exploited by the defendant as aforementioned, entitled "Best Man Wins," there is a flash at the outset that reads: "Based on the Mark Twain story, 'The Celebrated Jumping Frog of Calaveras County.'"

The character Jim Smiley, who was the central character in Mark Twain's story, is also the central character of the motion picture, but the story itself, is completely different from the Mark Twain story, and actually, the incident which is the center of the Mark Twain story does not appear in the motion picture at all, although the jumping frog, "Dan'l Webster," appears throughout the movie. The frog does get filled with buckshot at the end of the movie, but the incident is entirely different from that set forth in the story by Mark Twain and Jim Smiley states that the buckshot trick was one he "learned in Calaveras County, California." The motion picture tells a very common, ordinary, and what is commonly characterized in the motion picture theatrical industry as "corny" love story. Jim Smiley married the lady of the movie, had a son by her, then deserted her and never even wrote her a letter for about twelve years. Then he showed up again and made a hit with the boy, and later remarried the mother of the boy. During the absence of Jim Smiley, the mother had secured a divorce and had planned to marry another man. In the Mark Twain story there was nothing about the life of Jim Smiley, except that he was a natural born gambler, and would bet on anything, but in the motion picture photoplay, Jim Smiley turns out to be not only a gambler, but a wife deserter as well.

That the motion picture photoplay entitled "Best Man Wins" produced and exhibited by the defendant, is an inferior motion picture photoplay, falsely and untruly representing that Samuel L. Clemens, deceased (Mark Twain), was the author or composer of the story upon which it is based.

That the defendant in producing the motion picture photoplay aforementioned, "Best Man Wins," deformed and mutilated the literary property of the deceased Mark

Twain, entitled "The Celebrated Jumping Frog of Calaveras County," and has advertised, publicized, exploited, and announced to the general public at large that such deformed and mutilated story was in fact the literary composition of Mark Twain, when in truth and in fact, such representations, announcements, publications and advertising were false and untrue, and the defendant well knew them to be false and untrue, and caused such announcements, advertising, publications and exploitation to be made for the sole purpose of deceiving the general public, for defendant's own personal profit and advantage, resulting in damage and injury to the plaintiffs and the property of the plaintiffs.

That by reason of the acts and conduct of the defendant as aforementioned in connection with the production and exhibition and the advertising and publicizing of said motion picture photoplay as aforementioned, great damage has been suffered and irreparable injury has been sustained by the plaintiffs, in that the false, improper, misleading and reprehensible use by defendant of the work of Mark Twain, "The Celebrated Jumping Frog of Calaveras County," has depreciated the value of and the income from the literary works and property of Mark Twain as aforementioned, which are protected by copyright in the United States and certain foreign countries, all to the damage of the plaintiffs in the sum of \$150,000.00.

That by reason of the acts and conduct of the defendants aforementioned, in connection with the production, exhibition, advertising and publicizing of said motion picture photoplay as aforementioned, defendants became liable to the plaintiffs pursuant to the provisions of the Lanham Trademark Act of July 5, 1946, Stat. 427, in-

corporated in 15 U. S. C. A., Sections 1051-1127, and particularly Section 1125, subdivision (a), 15 U. S. C. A.

That by reason of all of the foregoing, plaintiffs prayed:

That the defendant be enjoined from exhibiting the motion picture photoplay produced by it entitled, "Best Man Wins," until it removes from the negative and all positive prints thereof any reference to the fact that same is a Mark Twain story, or based upon a Mark Twain story, whether it be a reference to the Mark Twain story of "The Celebrated Jumping Frog of Calaveras County" or any other Mark Twain story.

That the defendant be enjoined from advertising, publicizing, or otherwise exploiting the aforementioned motion picture photoplay produced and exhibited by the defendant, entitled, "Best Man Wins," in any newspapers, magazines, periodicals, motion picture trade papers or otherwise, that said motion picture photoplay is a Mark Twain story, or is based upon the Mark Twain story, "The Celebrated Jumping Frog of Calaveras County," or otherwise, and it be decreed and ordered that the defendant eliminate any and all reference to Mark Twain in connection with the motion picture photoplay, "Best Man Wins," and in connection with any advertising, publicity, or exploitation in connection with such exhibition of said motion picture photoplay, and further, for an accounting and for damages.

III.

Specification of Errors Relied on.

The Court erred in granting defendants Motion to Dismiss upon the ground and for the reason that the amended complaint failed to state a claim upon which relief could be granted.

IV.

Argument.

The lower court based its ruling on the following grounds:

(1) That plaintiff had no exclusive right to the use of the name "Mark Twain" for the reason that in the public domain there is historic material with the name "Mark Twain" which belongs to everybody, and

(2) There was no unfair competition in what the defendant did by reason of the fact that plaintiffs had no exclusive right to the use of the name "Mark Twain" [Rep. Tr. of Proceedings contained in Clk. Tr., top of p. 42] reading as follows:

"My conclusion on the thing is that this matter of the trade-mark is the essence of the whole case, and you are not in court unless you have a cause of action on trade-mark. If you are in court on trade-mark, then you are in court on unfair competition. I don't think you are in court on trade-mark. And I base it largely on the fact that you have no exclusive right to the use of the name "Mark Twain" for the reason that in the public domain there is historic material with the name "Mark Twain" which belongs to everybody. Therefore, I distinguish between some of the cases you rely upon where there was obviously an exclusive right. That is my thinking about the thing. Where does that lead us?"

See Court's remarks, Reporter's Transcript, contained in Clerk's Transcript, page 55, next to the last paragraph, reading as follows:

"The Court: I am going to set aside the order I made with the one exception: I hold that no cause

of action is stated on trade-mark, and the court has jurisdiction to so determine. That is all I hold presently. The rest of it I will take under submission and decide after I read the notes and the cases."

A. As to the Validity of the Trademark "Mark Twain."

In the commentary on the Lanham Trademark Act of July 5, 1946, the new Trademark Act by Daphne Robert, which commentary appears on page 265 of U. S. C. A., Title 15, and on page 271 thereof, Mr. Robert has the following to say:

"The prohibition against registration of geographical names, descriptive words and surnames is also relaxed. Under the prior Act geographical names were not registrable, even though they had little or no geographical significance to ultimate purchasers. If the name was to be found in an atlas or gazetteer, that was sufficient to preclude registration. Descriptive words were likewise denied registration. Surnames were registrable only if they were displayed in a distinctive manner—and the appearance of a name in a telephone directory was sufficient to preclude registration, even though the name had little or no significance as a surname in the market place. Under the present Act if a mark is merely descriptive or deceptively misdescriptive of goods or services, is primarily geographically descriptive or deceptively misdescriptive, or is primarily merely a surname, it may be denied registration on the Principal Register. However, if, through substantially exclusive and continuous use, the mark becomes distinctive and indicates in the market place only the goods or services of the user, it may be registered on the Principal Register irrespective of its original primary meaning. Such marks as 'Nu-Enamel' which originally was

descriptive, 'Ford' which originally was a surname, and 'Santa Fe' which originally was geographical, may now be registered as valid secondary meaning marks on the Principal Register."

Plaintiffs have alleged in their amended complaint, Article X thereof [see Clk. Tr., bottom of p. 5, top of p. 6]:

"That the name and mark of Mark Twain has been substantially, exclusively and continuously used in connection with the literary works of Samuel L. Clemens, deceased, during his lifetime, and subsequent to his death in 1910, by plaintiffs who succeeded to the rights in said literary properties, and said mark and name has become distinctive, and indicates in the literary market throughout the world only the literary works and writings of Samuel L. Clemens, deceased."

The former Trademark Act precluded registration of marks or words which were clearly descriptive. However, whether a word used as a trademark is descriptive depends on circumstances in each case. Many cases have been before the courts on this point of what is or is not descriptive, and generally it has been crystalized by the authorities herein quoted below:

"Whether a word used as a trade-mark is descriptive of goods as to which it is used depends on circumstances of each case, and hence mere fact that a word or term has a descriptive meaning does not necessarily mean that its use is prohibited."

In re Vortex Cup. Co. (1936), 83 F. 2d 821, 23 C. C. P. A., Patents 1166.

“A term adopted as a trade-mark must be considered in its entirety in determining whether term is merely descriptive.”

Henry Muhs Co. v. Farm Craft Foods (D. C. N. Y., 1941), 37 Fed. Supp. 1013.

“To justify finding that words are descriptive and that registration of trade-mark is invalid, it must be shown that they apply especially to some ingredient, quality or characteristic of the products to which they are applied.”

Plough, Inc. v. Intercity Oil Co. (D. C. Pa., 1939), 26 Fed. Supp. 978.

“The question of the descriptiveness of a mark must be considered in the light of its significance to the purchaser.”

In re Packard Motor Car Co. (1917), 46 App. D. C. 555.

“The words ‘merely descriptive,’ as used in former section 85 of this title mean only descriptive, or nothing more than descriptive.”

Hercules Powder Co. v. Newton (C. C. A., N. Y., 1920), 266 Fed. 169.

“A trade-mark must, either by itself or by association, point distinctively to the origin or ownership of the article, to which it is applied.”

Manitou Springs Mineral Water Co. v. Schueller (Colo., 1917), 239 Fed. 593, 152 C. C. A. 427, certiorari denied 37 S. Ct. 406, 243 U. S. 645, 61 L. Ed. 944.

See also:

Oakland Chemical Co. v. Bookman (C. C. A., N. Y., 1927), 22 F. 2d 930;

Kellogg Toasted Corn Flake Co. v. Quaker Oats Co. (Mich., 1916), 235 Fed. 657, 149 C. C. A. 77;

Apollo Bros. v. Perkins (Pa. 1913), 207 Fed. 530, 125 C. C. A. 192;

Burton v. Stratton (C. C. Mich., 1882), 12 Fed. 696;

Godillot v. Hazard (N. Y., 1875), 49 How. Prac. 5, affirmed, 44 N. Y. Sup. Ct. 427, affirmed 81 N. Y. 263;

Ferguson v. Mills (Pa., 1869), 7 Phila. 253.

“Under former section 85 of this title it was intended to restrict only the registration of a mark that is merely descriptive of the goods with which it is used, not one which by use on a peculiar class of goods has come to denote origin.”

Grove Laboratories v. Brewer & Co. (C. C. A. Mass. 1939), 103 F. 2d 175.

“The true test in determining whether a particular name or phrase is descriptive is not whether words are exhaustively descriptive of article designated, but whether in themselves, and, as they are commonly used by those who understand their meaning, they are reasonably indicative and descriptive of thing intended.”

Drive It Yourself Co. v. North, 1925, 130 Atl. 57, 148 Md. 609.

“Former section 85 of this title did not exclude from registration a descriptive mark if applicant had right to use the mark involved and no one else had right to such use in identical form or in such near resemblance as might be calculated to deceive.”

Grove Laboratories v. Brewer & Co., C. C. A. Mass. 1939, 103 F. 2d 175.

“Words that do not in and of themselves indicate anything in the nature of origin, manufacture, or ownership, but which are merely descriptive of the place where an article is manufactured or produced, cannot be monopolized as a trade-mark.”

Elgin Nat. Watch Co. v. Illinois Watch Case Co., Ill. 1901, 21 S. Ct. 270, 273, 179 U. S. 665, 45 L. Ed. 365.

See also:

San Francisco Ass'n for Blind v. Industrial Aid for Blind, D. C. Mo. 1945, 58 F. Supp. 995, reversed on other grounds 152 F. 2d 532;

Folmer Graflex Corp. v. Graphic Photo Service, D. C. Mass. 1942, 44 F. Supp. 429, new trial granted 45 F. Supp. 749.

The plaintiffs are not endeavoring to enlarge their rights in literary property by the device of a trademark, as contended by defendants in their brief in support of its Motion to Strike and Dismiss, and the instant case is distinguishable from *Clemens v. Belford*, 14 Fed. 728, in that plaintiffs in the instant case seek to protect their property right of trademark “Mark Twain,” which trademark is used to designate the origin and ownership of their literary works, which property right has no relationship or bearing to the literary content or literary

material of such works. The *Clemens v. Bedford* case is authority only on the particular point that an author cannot use a *nom de plume* as a trademark to circumvent, enlarge, or enhance his rights to the literary property or the literary material once such literary property or literary material becomes the public property and is in the public domain. Nowhere in this decision does the court enunciate the principle, as defendant contends, that the pseudonym "Mark Twain" is not a proper subject of trademark protection. One must bear in mind in the *Clemens v. Bedford* case (*supra*) that defendant in that case actually copied the work of Mark Twain and used the name of the author. This case did not involve the question of a defendant originating his own work or distorting and mutilating a work of another, and claiming it to be the work of the creator.

B. As to Unfair Competition.

It is plaintiff's contention that it presently owns and controls considerable literary property written by Mark Twain, which is still protected by copyright. That the Mark Twain Estate is receiving considerable income from the licensing of these literary properties, particularly by the licensing of motion picture rights in said properties to producers of motion picture photoplays. That if producers of motion picture photoplays are permitted to take insignificant and very unimportant and minor incidents from those of the Mark Twain properties that are in the public domain and elaborate upon these unimportant and minor incidents and build up an extensive literary property with a plot, story and characters different than those used and written by Mark Twain, and publicize and advertise such property as a Mark Twain property, those motion

picture producers who are prospective purchasers of the Mark Twain properties still protected by copyright, would refuse to purchase or obtain licenses to make pictures based on Mark Twain properties that are still protected by copyright, and would follow the same plan that the defendant did in this case with respect to "Best Man Wins," with the result that the plaintiffs would be hampered, or even prevented in their sales of their literary property, to the great damage and monetary loss of plaintiffs.

The whole doctrine of unfair competition is of very recent origin as compared to the entire body of law. Daphne Robert points out in "The New Trade-Mark Manual," just published and relating to the newly passed Lanham Act, that Browne, in the first edition of his book on trademarks published in 1873, made no reference to the phrase "unfair competition" but had a heading entitled "Cases analogous to trade-mark cases," and that in the second edition of Browne's book published in 1885, the same chapter heading was used, but the phrase "unfair competition" appears in the text for the first time as a rough translation of the French "concurrence deloyal." As Robert says, "The French seemed to recognize the wrong before we did and had a name for it." He then goes on to say:

"But the phrase 'unfair competition' soon became applied exclusively to cases involving what the English call passing off. Passing off is the sale of one man's goods as another's without copying his trade-mark. The development of law was in danger of

being halted by this supposed limitation of the term unfair competition. Happily, unfair competition soon became applied to conduct which did not involve passing off. It was extended to include misappropriation of trade values as well as misrepresentation, and in general to acts which artificially and injuriously interfere with the normal course of trade." (Introduction to "The New Trade-Mark Manual," pages XIV and XV.)

Mr. Robert traces the historical development of trade-marks from earliest beginnings as being a mark appurtenant to physical premises, then through its expansion to the status of personal property, removable as such, then through the phase where it indicated origin, up to modern times when the origin became anonymous, and on to the very present when origin is no longer the important function of the mark. With respect to such modern application, Mr. Robert says:

"Perhaps one of the most important functions of the trade-mark in modern business is to create and perpetuate a mark through use of the mark in advertising. The advertising, of course, is directed toward the product, but the demand for the product is created through the advertising of the mark itself. The quality of competing goods is often the same. Yet the selection of competitive goods in the modern market-place is made through the medium of the trade-mark. The advertising and selling function of marks has today made them one of the most valuable of business assets. * * * We cannot overlook the value which lies in the fact that when the owner wants to extend his mark to new or allied products to be sold under the trade-mark, a market has already been created for him." (The New Trade-Mark Manual, pp. 5 and 6.)

Mr. Robert then proceeds to quote part of the opinion of Justice Frankfurter in the *Mishawaka Rubber* case, 316 U. S. 203, 205, in which the Justice said:

“The protection of trade-marks is the law’s recognition of the psychological function of symbols. If it is true that we live by symbols, it is no less true that we purchase goods by them. A trade-mark is a merchandising shortcut which induces a purchaser to select what he wants or what he had been led to believe he wants. The owner of a mark exploits this human propensity by making every effort to impregnate the atmosphere of the market with the drawing power of a congenial symbol. Whatever the means employed, the aim is the same—to convey through the mark, in the minds of potential customers, the desirability of the commodity upon which it appears. Once this is attained, the trade-mark owner has something of value. If another poaches upon the commercial magnetism of this symbol he has created, the owner can obtain legal redress.” (The New Trade-Mark Manual, pp. 8 and 9.)

Rudolph Callmann, in his recent book “Unfair Competition and Trade-Marks,” makes pointed reference to the theory referred to in many modern cases under which protection is given to trademarks, the theory being usually called that of “dilution of value.” As Callmann says:

“The gravamen of the complaint in these cases is that the continued use of such similar marks must inevitably dilute the distinctiveness of the plaintiff’s. The injury differs materially from that arising out of confusion; in the event that the similarity between the marks in question provokes confusion, there is an immediate or imminent loss of sales, for the confu-

sion tends to divert potential customers from the plaintiff to the defendant. Confusion leads to immediate injury, while dilution is the infection, which, if allowed to spread, will inevitably destroy the advertising value of the mark. The uniqueness or singularity of the trade-mark will sometimes be more important to the success of an advertising campaign than the quality of the product with which it is connected. The selling power of the mark is realistically dependent upon its distinctiveness. * * *

“It should be recognized, therefore, that dilution gives rise to a cause of action and should not be relegated to the status of a test of infringement. The wrong involved is not one necessarily affecting a competitive relationship, but is one that does injury to the property right of a trade-mark.” (Unfair Competition in Trade-Marks, Vol. 2, p. 1335.)

It is upon such theory, undoubtedly, that the courts, without specifically saying so, have restrained the use of a title of a literary property as the title for a motion picture of content entirely dissimilar to that of the original property. In short, such a use would so dilute the distinctiveness of the title as to make it thereafter largely valueless. Callmann then goes on to point out that, under many of the late cases, confusion of business is no longer the test as to the right to restrain another from using one's trademark, inasmuch as relief has been given in such recent leading cases as *Vogue Company v. Thompson-Hudson Co.*, 300 Fed. 509, 12 F. 2d 991, 71 L. Ed. 850; *Wall v. Rolls-Royce*, 4 F. 2d 333; *Dunhill v. Dunhill*, 3 Fed. Supp. 487; *Tiffany & Co. v. Tiffany Productions*, 264 N. Y. Supp. 459, 260 N. Y. Supp. 821, 262 N. Y.

482; wherein the goods involved were entirely non-competing and unrelated. As he observes, in three of the cases the basis of relief was the attempt by defendant to trade and capitalize upon plaintiff's reputation and goodwill, and in the *Tiffany* case the court decided against the defendant on the theory that:

"The real injury was the gradual whittling away of the identity and hold upon the public mind of plaintiff's name."

Incidentally, in the *Tiffany* case, as Callmann also points out, the court quoted with approval from Schechter, "The Rational Basis of Trade-Mark Protection," 40 Harv. L. Rev. 812, the theory of that article being that "the preservation of the uniqueness of a trade-mark should constitute the *only* rational basis for its protection." (Unfair Competition in Trade-Marks, Vol. 2, pp. 1336 and 1337.) Callmann then goes on to say:

"It appears that the courts are influenced, consciously or otherwise, by the fact that the defendant is attempting to appropriate values which are properly the plaintiff's; that this invasion of the plaintiff's rights may prove disastrous, and that the plaintiff is deserving of relief. * * *

"The theory of dilution is sound. Where there is confusion, it is superfluous, but where there is none, it is the only rationale which will furnish a cause of action. The use of a mark similar to the plaintiff's constitutes a trespass upon his property rights in his mark, for it necessarily involves a gradual impairment of its selling power."

Current development, expansion and change in the theory of unfair competition is further exemplified in the case of *Elastic Stop-Nut Corp v. Greene*, 62 Fed. Supp. 363 (D. C., Ill.), wherein the Court stated that the former requirement under the case law of Illinois of evidence of actual "palming off" of goods of the accused as the goods of the accuser in order to prove a case of unfair competition is no longer the law, in view of the holding in the case of *Lady Esther, Ltd. v. Lady Esther Corset Shoppe*, 43 N. E. 2d 165. The Court stated:

"In view of the general broadening of the theory of unfair competition in this state following the weight of authority throughout the United States * * * it is sufficient to warrant injunctive relief if there is likelihood of confusion in the trade."

And required no actual showing of any such confusion. In the *Lady Esther* case, cited in the last decision, the Court cites with approval from Schecter's article in 38 Harv. L. Rev. 370, saying as to that article:

"In speaking of the necessity for actual competition in cases designated as 'unfair competition,' the author says:

"The truism that law is a developing science is nowhere more strikingly illustrated than in the law of unfair competition. * * *

"* * * the usual cases demanding relief under the law of unfair competition in the early days of equity's protection happened to be simple cases of one trader's passing off his own goods as those of his rival, so that "passing off" would explain practically all the decisions. * * *

“ ‘In the recent cases of *Vogue Co. v. Thompson-Hudson Co.*, 300 Fed. 509, the Sixth Circuit Court of Appeals squarely repudiated such a doctrine and allowed a fashion magazine an injunction against a hat manufacturer who sought to secure for himself the benefit of plaintiff’s goodwill and reputation in the field of fashion. It is impossible to find any element of competition between the parties, “but there is no fetish in the word competition. The invocation of equity rests more vitally upon the unfairness.” ’ ”

The Court in that case gives the following quotation from Derenberg on Trade-Mark Protection and Unfair Trade, wherein that author, in referring to the *Vogue* case, says:

“With this decision, the law of unfair competition was freed of one of its heaviest chains. Any attempt to capitalize on the goodwill or reputation of another is declared to be unfair trade and is therefore unlawful even in the absence of ‘passing off’ or ‘competition’ in the literal sense of the word.”

The modern theory that there need be no competition between the two businesses for which the same name is sought to be used and that one need not wait until an injury has occurred to seek relief is approved in the case of *Academy of Motion Picture Arts and Sciences v. Benson*, 15 Cal. 2d 685, wherein the well known Academy of Motion Picture Arts and Sciences, best known for its annual awards in the motion picture industry, sought injunctive relief against defendant, who was operating an actors’ school under the name “The Hollywood Motion Picture Academy.” In the lower court the defendant’s demurrer to the complaint was sustained without leave to amend and that decision was reversed by California Supreme Court, which, at page 689 of the opinion, cited

with approval from *Tiffany & Co. v. Tiffany Productions* (*supra*), and *Yale Electric Corp. v. Robertson* (C. C. A.), 22 F. 2d 972, 974, and the Court further pointed out that though the facts of the case might be novel, it did not follow that plaintiff would not be entitled to relief, further saying:

“There is a maxim as old as law that there can be no right without a remedy, and in searching for a precise precedent, an equity court must not lose sight, not only of its power, but of its duty to arrive at a just solution of the problem.”

The appropriateness of the last cited language to the instant case needs no comment.

The case of *Uproar v. National Broadcasting Co.*, 8 Fed. Supp. 358, affirmed 81 F. 2d 373, is of the utmost significance. The facts were these: Ed Wynn, while under contract to Texaco for a series of radio programs in which he was to personally appear and for which he was to write the scripts, prepared a number of such scripts and made use of them on the programs which were broadcast through the affiliated stations of the National Broadcasting Company. Thereafter, through certain business associates—plaintiffs in this matter—he had such scripts published in pamphlet form under the name “Uproars” and had the pamphlets advertised over the radio. Graham McNamee, the well known radio announcer, also took part in the programs and his name was, of course, mentioned in the pamphlets. He was under contract with the National Broadcasting Company, which granted to them the right to the exclusive management of his services, trade name or names and productions for all purposes of whatsoever kind and nature, and the further right to use

his name and photograph in connection with advertising and publicity campaigns and for commercial purposes of any nature. The defendant Texaco Company objected to the publication of the pamphlets, and particularly to the advertising thereof over the air, and the defendant National Broadcasting Company objected to the mention and use of McNamee's name, and this action was brought by Wynn's business associates seeking damages at common law and under the anti-trust laws for what it considered unlawful interference with their business by the two defendants. The defendants in turn asked for affirmative relief by way of injunction. With respect to the use of McNamee's name, the District Court said:

“As to the defense of the National Broadcasting Company, the contract between it and Grahm McNamee purported to confer upon the company the sole and the exclusive right to the services of McNamee in connection with broadcasting, and also the right to use his name for commercial purposes, whether connected with broadcasting or otherwise. The name has acquired, through the efforts of McNamee and the National Broadcasting Company, a very substantial value, especially valuable for advertising purposes; and this definite commercial value exists apart from the services as radio announcer. Rights of a pecuniary nature have been created which partake of the elements of property rights, and which will receive the protection of equity. *International News Service v. Associated Press*, 248 U. S. 215, 39 S. Ct. 68, 72, 63 L. Ed. 211, 2 A. L. R. 293. These rights may properly be the subject-matter of a transfer from McNamee to the broadcasting company. *Petrolia Mfg. Co. v. Bell & Bogart Soap Co.* (C. C.), 97 F. 781; *The Coca-Cola Bottling Co. v. The Coca-Cola Co.* (D. C.), 269 F. 796; *Brown Chemical Co. v.*

Meyer, 139 U. S. 540, 11 S. Ct. 625, 35 L. Ed. 247; Richmond Nervine Co. v. Richmond, 159 U. S. 293, 16 S. Ct. 30, 40 L. Ed 155.”

The Court then went on to say:

“Both defendants complain that the plaintiff, in publishing ‘Uproars,’ has appropriated and will appropriate the good will which the defendants have, at large expense, succeeded in creating, and to which the plaintiff has contributed nothing. In other words, that the plaintiff, for his own profit is seeking to take an unfair advantage of the popularity of widely advertised programs, the propriety interests in which belong exclusively to the defendants under their respective contracts with Wynn and McNamee.

“This misappropriation and the use by the plaintiff tends to impair the value of the exclusive rights which the defendants have acquired by cheapening the whole advertising program. * * *

“While plaintiff’s undertaking is not, strictly speaking, unfair competition in the sense that the plaintiff is attempting to palm off his goods for the goods of a competitor, it comes within the rule which the courts have frequently applied in cases of unfair business practices regardless of the element of competition. Aluminum Cooking Utensil Co. v. Sargoy Bros. & Co. (D. C.), 276 F. 447; Aunt Jemima Mills Co. v. Rigney & Co. (C. C. A.), 247 F. 407, L. R. A. 1918C, 1039; Akron-Overland Tire Co. v. Willys-Overland Co. (D. C.), 273 F. 674; International News Service v. Associated Press; Feldman v. Amos and Andy (Cust. & Pat. App.) 68 F. 2d 746.

“In International News Service v. Associated Press, the court observed: ‘Stripped of all disguises, the process amounts to an unauthorized interference

with the normal operation of complainant's legitimate business precisely at the point where the profit is to be reaped, in order to divert a material portion of the profit from those who have earned it to those who have not. * * * The transaction speaks for itself and a court of equity ought not to hesitate long in characterizing it as unfair competition in business.

* * * In a court of equity, where the question is one of unfair competition, if that which complainant has acquired fairly at substantial cost may be sold fairly at substantial profit, a competitor who is misappropriating it for the purpose of disposing of it to his own profit and to the disadvantage of complainant cannot be heard to say that it is too fugitive or evanescent to be regarded as property. It has all the attributes of property necessary for determining that a misappropriation of it by a competitor is unfair competition because contrary to good conscience.'

"While the plaintiff is not a competitor of either of the defendants, logically the same rule would apply to one misappropriating to his own profit, and to the disadvantage of the other, rights which the latter has acquired fairly and at substantial costs."

The Court then proceeded to perpetually enjoin the plaintiff from prosecuting the action of law, from publishing, advertising, selling, or distributing the pamphlets and from making any commercial use of the name "Graham McNamee" "so long as his contract with the National Broadcasting Company, or any extension or renewal thereof, is in force." In affirming the case, the Circuit Court held that though the property in the scripts remained in Wynn it was subject to the restriction that he would not make any use of them which would weaken or interfere with the use for which they, so to speak, had

been sold, to wit, the purpose of attracting people to listen in to the Texaco Company's advertising. This indicates most clearly how in this day and age such a literary property as a script has a distinct value as an advertising attraction, separate and apart from the literary property rights in the script as such. The Circuit Court repeats verbatim the quotation above set forth with respect to the fact that the plaintiff, for its own profit, was seeking to take advantage of the popularity of the widely advertised programs. Finally, the Circuit Court, in affirming the decision, said on the question of the appropriation of McNamee's name, "It is clear that plaintiff had no right to use Graham McNamee's name in its publication."

Thus it is to be seen that the courts not only will give, but have given, under appropriate circumstances and facts, full protection to advertising values, as distinguished from literary values, though both arise out of the same literary property, and also it is to be seen that the courts recognize, under appropriate circumstances, the right of a man to grant to another the exclusive use of his name and will restrain third parties from interfering with the rights so granted.

It seems most obvious that, inasmuch as the courts are now according full protection to trademarks and trade names as against entirely noncompetitive lines, on the theory that the defendants are diluting the value or interfering with the normal trade expansion possibilities of that mark in fields into which it had never before extended, that the courts have definitely accorded to the mark, as such, a distinct property value, based upon the time, effort and moneys expended in acquainting the public with that mark and giving it its drawing power. It was that very drawing power that defendant undoubtedly was

desirous of obtaining in the instant case. It must further be obvious that since such noncompetitive use will be fully restrained under modern-day developments of the law of unfair competition, in actuality the courts are declaring in effect that there is a fully developed property right in a trademark and that, as with any other property, an encroachment upon it (defining such an encroachment in the light of modern business and advertising practices) would constitute a trespass.

Counsel for plaintiffs contends that plaintiffs have the exclusive right to the trademark or trade name of "Mark Twain" with the only exception that the trade name or trademark of "Mark Twain" may be used by others in connection with such of the literary works of Mark Twain or Samuel L. Clemens, deceased, that are now in the public domain. Plaintiffs respectfully submit that this is an analogous situation where one has exclusive right to a trademark or tradename, but licenses a third party to use this trademark or trade name for some specific purpose. Except for the license so granted by the owner of the trademark or trade name, the owner still retains the exclusive right and is entitled to all the protection the law gives the owner of a trademark or trade name. The right to use the trademark or trade name "Mark Twain" in connection with literary property of Samuel L. Clemens in the public domain is merely a license for such use, the only difference being that the exclusive owner of the trademark did not give or grant such license, but this license is permitted by operation of law.

Clemens v. Belford, 14 Fed. 728.

Counsel for plaintiff respectfully submits to the Court that plaintiffs have a definite ownership and property right in the trademark "Mark Twain" aside from the

rights in and to the literary property or literary material itself. That they have expended time, effort, and money in developing, advertising and exploiting the trademark "Mark Twain" in connection with the literary property or literary material they own. That defendant Columbia Pictures Corporation has misappropriated this trademark for its own use and benefit, and for its own profit in connection with a motion picture which it has produced, and has, and still is distributing throughout the United States, and which motion picture photoplay is based on literary works or literary material entirely dissimilar and bears no relationship or connection to any literary works or literary material written by Mark Twain, whether in the public domain or otherwise.

Counsel for plaintiffs respectfully submits to the Court, in view of the foregoing, and in view of the authorities herein cited, defendant's Motion to Dismiss should have been denied, and the lower court's ruling should be reversed.

Respectfully submitted,

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